

House Republican Press Release

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Rep. Giuliano Opposes 2005- 2007 Biennial Budget



The two-year state budget approved by the state House of Representatives takes more from Lyme, Old Lyme, Old Saybrook and Westbrook than it gives back, breaks the Constitutional Spending Cap, and could result in more employers leaving Connecticut, said state Representative Marilyn Giuliano, R-23rd District, who opposed the spending package.

The budget (House Bill 6940) was approved 100 – 50 early Tuesday morning, with most Democrats supporting the proposal and most Republicans voting to reject it.

“I reviewed this budget carefully before voting against it,” Representative Giuliano said. “While it does provide some funding for our towns, the people of the 23rd District will end up paying more in taxes than will come back to our towns in the form of grants for our schools and local infrastructure improvements.”

“This budget is not fiscally responsible. It will cost taxpayers \$13.3 billion during the 2005 fiscal year; \$14.1 billion in the 2006 fiscal year, and \$14.7 billion in 2007. It is a status quo budget that makes no attempt to reduce spending to balance the budget. Instead, it increases spending by 8.9 percent in the first year and 3.3 percent in the second for a total overall hike of 12.2 percent. It even sets aside funding in the amount of \$18 million and does not explain why the money is there and what it will be used for,” Representative Giuliano said.

“This year, the state has an unexpected surplus amounting to about \$700 million. However, instead of being responsible and depositing it in the state’s rainy day fund or using it to help pay off the state debt, \$650 million was taken from the surplus to help pay for more government spending programs,” Representative Giuliano said. “I’m looking at a budget that not only raises taxes in the face of a \$700 million surplus, but spends every cent of the surplus on recurring services with non-recurring dollars.”

“This budget ignores the overwhelming majority of voters who ratified the spending cap in 1991 – as well as today’s overburdened taxpayers who strongly support it to keep state spending under control. This budget breaks our Constitutional Spending Cap not just this year, but next year and the year after as well,” Representative Giuliano said.

“In addition, the budget raises taxes on Connecticut companies – even though they already pay a 7.5 percent tax on corporate profits. It adds surcharges of 20 percent for the 2006 business tax year and 15 percent in the 2007 tax year. These tax increases will discourage corporations from expanding their operations in Connecticut and make out-of-state businesses think twice about moving here and creating new jobs. It will mean fewer opportunities for all our citizens - and force our children to look elsewhere for employment,” Representative Giuliano said.

“If I look at this budget from the standpoint of the People’s Pocketbook, I see a General Assembly majority that is maxing out the people’s credit card every month, and making only the minimum monthly payment,” Representative Giuliano said.

“Connecticut residents already pay the largest combined federal, state and local taxes in America, according to the Tax Foundation. The Tax Foundation estimates that we work until May 3rd to pay our taxes - the longest of any state - before we can start spending our hard-earned dollars on living expenses for our families and ourselves,” Representative Giuliano said. “It is an unenviable distinction and I take no pride in it.”